

## Reno County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

10/8/14

21 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Reno County economy.<sup>1</sup>

These 21 sectors have a total direct output of approximately \$1187 million and support 3,702.4 jobs in Reno County. Running the model for all 21 sectors simultaneously produces the following results:

Agriculture Contribution in Reno Co						
Impact Type <sup>2</sup>	Employment	% Employment	Total Value Added <sup>3</sup>	% of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	% of Gross Regional Product
Direct Effect	3,702.4	10%	198,359,311.3	9%	1,186,741,082.7	53%
Indirect Effect	1,165.6	3%	92,707,324.3	4%	162,729,715.1	7%
Induced Effect	1,101.5	3%	75,939,355.1	3%	119,855,818.0	5%
Total Effect	5,969.6	16%	367,005,990.7	16%	1,469,326,615.9	65%

As shown in the above table, agriculture, food, and food processing supports 5,969.6 jobs, or 16% of the entire workforce in the county. These industries provide a total economic contribution of approximately \$1469 million, roughly 65% of Gross Region Product (GRP). As noted below in the calculation of Gross Regional Product, imports and institutional sales are subtracted. Therefore, counties that import a relatively large amount of goods and services will have a reduced GRP which may lead to agricultural output being greater than GRP.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 21 agriculture, food, and food processing sectors is approximately \$367 million, or 16% of the GRP. This indicates that personal income, business income, and taxes generated by these sectors account for 16% of the total economy.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:

[http://www.implan.com/index.php?option=com\\_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70](http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value added = labor income + indirect business taxes + other property type income.

<sup>4</sup> GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

<sup>5</sup> Output = intermediate inputs + value added.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

In the top ten by employment, Grain farming is the top employer in the agriculture industry with 947.3 employees. This table also shows the amount of jobs that are created by the agriculture industry in Reno County.

Description	Total Employment	Total Output
Grain farming	947.3	69,368,093.4
Animal (except poultry) slaughtering, rendering, and processing	649.4	222,022,828.3
Cattle ranching and farming	500.4	98,708,308.0
Farm machinery and equipment manufacturing	443.6	243,184,852.2
Food services and drinking places	243.5	13,211,642.9
Support activities for agriculture and forestry	234.3	322,766.9
Fluid milk and butter manufacturing	224.4	275,696,024.3
Paperboard Mills	180.0	131,484,103.3
Wholesale trade businesses	158.6	29,476,285.9
Animal production, except cattle and poultry and eggs	152.7	9,748,976.4

The Fluid milk and butter manufacturing industry directly contributes approximately \$276 million to Reno County's economy. This table also shows how much revenue is generated in other industries by having a strong agriculture industry.

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Farm machinery and equipment manufacturing	443.6	243,184,852.2
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Paperboard Mills	180.0	131,484,103.3
Cattle ranching and farming	500.4	98,708,308.0
Grain farming	947.3	69,368,093.4
Seasoning and dressing manufacturing	61.5	37,970,139.7
Monetary authorities and depository credit intermediation activities	101.6	33,987,567.2
Wholesale trade businesses	158.6	29,476,285.9
All other crop farming	52.0	23,904,563.6

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture sector and the output they contributed to Reno County's economy.

[illegible]

All 105 counties in Kansas have Implan models and agriculture contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Kansas, the retail sector was omitted.